

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

GUILD MORTGAGE COMPANY LLC,

Plaintiff,

v.

CROSSCOUNTRY MORTGAGE LLC,

Defendant.

No.

**COMPLAINT**

Plaintiff Guild Mortgage Company LLC (hereinafter “Guild”), by its attorneys, and for its complaint against CrossCountry Mortgage, LLC (hereinafter “CrossCountry”), alleges as follows:

**NATURE OF THIS ACTION**

1. Guild is a residential mortgage lender founded in 1960. It employs loan originators across the country to sell residential mortgage loans to retail consumers. Guild brings this action for tortious interference, unfair competition, conspiracy, and violation of computer crime laws, and seeks injunctive and monetary relief, to remedy the wrongful scheme by CrossCountry, a competing mortgage lender, to systematically, methodically, and purposefully misappropriate nearly all of Guild’s Kirkland, Washington branch, including dozens of employees; induce Guild’s employees to breach their contracts, duties of loyalty,

*Complaint - 1*

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1 and other obligations; interfere with Guild's relationships with current and prospective  
2 customers; and misappropriate and use Guild's confidential information in order to unfairly  
3 compete with Guild.

4         2.       CrossCountry conspired with former Guild Kirkland Branch Manager  
5 Christopher "Jordan" Flowers ("Flowers"), former Guild Kirkland Senior Loan Officer Cory  
6 Flynn ("Flynn"), and former Guild Kirkland Operations Manager Lisa Jolliffe ("Jolliffe") and  
7 offered them lucrative employment packages with CrossCountry to persuade other Guild  
8 employees to resign from Guild and defect *en masse* to CrossCountry, taking massive  
9 amounts of confidential business and client information with them, and diverting loans in  
10 process at Guild to be closed at CrossCountry instead. CrossCountry and its co-conspirators  
11 orchestrated this mass departure of Guild's entire Kirkland Branch, while Flowers, Flynn,  
12 Joliffie and other Kirkland Branch employees were still being paid and employed by Guild.  
13 Guild is aware of dozens of individuals who resigned due to the actions of CrossCountry and  
14 those three employees.  
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16         3.       While Guild's investigation of this wrongful conduct continues, the facts  
17 discovered to date demonstrate that CrossCountry encouraged and facilitated efforts by the  
18 Kirkland Branch employees to abuse their positions of trust, exploit information they only  
19 learned as trusted employees of Guild, breach their contracts, encourage other employees to  
20 breach their contracts, instruct other employees to remove Guild's confidential information,  
21 interfere with Guild's customer relationships, and brazenly violate their duties of loyalty to  
22 their employer, Guild.  
23

## 24 PARTIES

25         4.       Plaintiff Guild is a limited-liability corporation organized and existing under  
26 the laws of California, with its principal place of business in San Diego, California. Guild's  
27 sole member is a Delaware corporation named Guild Holdings Company.  
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5. Guild is a residential mortgage lender founded in 1960. It employs loan originators across the country to sell residential mortgage loans to retail consumers.

6. Guild has been able to achieve success in the industry by establishing a strong reputation for providing valuable services to its borrowers. Guild has expended substantial amounts of money, time, and resources to hire employees that would build on and strengthen Guild's reputation, and to build strong branch offices in key areas across the country.

7. Defendant CrossCountry is a limited-liability corporation founded in 2003 and organized and existing under the laws of Delaware. It has its principal place of business in Brecksville, Ohio. Upon information and belief based on public filings, CrossCountry's members are citizens of Ohio.

8. Cross Country is also a residential mortgage lender, and as such, is a direct competitor of Guild.

9. Upon information and belief, CrossCountry has branch offices across the United States.

## VENUE AND JURISDICTION

10. Venue is proper in the United States District Court for the Western District of Washington, because the acts and omissions giving rise to the claims (specifically the conduct of CrossCountry) occurred in King County, Washington. 28 U.S.C. § 1391(b)(2).

11. This Court has jurisdiction under 28 U.S.C. § 1332 (diversity jurisdiction) because (1) Plaintiff's sole member is a citizen of Delaware and, upon information and belief based on public filings, Defendant's members are citizens of Ohio, and (2) the amount in controversy exceeds \$75,000.

## FACTUAL BACKGROUND

12. Guild is a nationwide residential mortgage lender that uses a relationship-based strategy to originate loans. Guild has found success in the mortgage industry through its

1 operations model and organizational structure, which includes a corporate office located in  
2 San Diego, California and branch offices located throughout the United States.

3 13. Guild's branch offices serve the surrounding areas and mainly contain local  
4 sales teams made up of salespeople and operations support staff.

5 14. These branch offices are run by Branch Managers, whose duties include  
6 overseeing and building the branch operations, recruiting top loan originators, and managing  
7 loan processors and operational staff. This includes oversight of Operations Managers and  
8 Loan Officers within the branch.

9 15. Loan originators are licensed salespeople who source potential borrowers, take  
10 loan applications, and quote mortgage rates. Guild's loan originators can have various titles,  
11 such as Branch Manager, Senior Loan Officer, Loan Officer, or other titles.

12 16. Guild's operations staff helps Guild by preparing and reviewing loan files for  
13 completeness and adherence to investor guidelines. The Operations Manager oversees retail  
14 operation functions, including the overall quality and integrity of loan files.

15 17. Each position plays a pivotal role in Guild's success. As a result, Guild invests  
16 substantial money and time developing its employee base.

17 18. Guild also invests substantial time and money to develop its confidential and  
18 proprietary information.

19 19. As one example, Employees in key roles, including Branch Manager, Loan  
20 Officer, and Operations Manager, among others, sign various employee contracts with Guild.

21 20. Prior to his departure from Guild, Flowers served as Branch Manager in  
22 Guild's Kirkland, Washington branch located at 5209 Lake Washington Blvd. NE, Suite 105  
23 (the "Kirkland Branch"). As a condition of Flowers' continued employment, Guild and  
24 Flowers executed a Confidentiality and Restrictive Covenant Agreement (the "Flowers  
25 Confidentiality Agreement"), a copy of which is attached hereto as **Exhibit 1**.  
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1           21. Prior to his departure from Guild, Flynn served as a Senior Loan Officer in  
2 Guild's Kirkland Branch. As a condition of Flynn's employment, Guild and Flynn executed a  
3 Confidentiality and Restrictive Covenant Agreement (the "Flynn Confidentiality  
4 Agreement"), a copy of which is attached hereto as **Exhibit 2**.

5           22. Prior to her departure from Guild, Jolliffe served as Operations Manager in  
6 Guild's Kirkland Branch. As a condition of Jolliffe's employment, Guild and Jolliffe executed  
7 a Confidentiality and Restrictive Covenant Agreement (the "Jolliffe Confidentiality  
8 Agreement"), a copy of which is attached hereto as **Exhibit 3**.

9           23. The Flowers Confidentiality Agreement, Flynn Confidentiality Agreement, and  
10 Jolliffe Confidentiality Agreement are collectively referred to as the "Confidentiality  
11 Agreements." Other Guild employees in the Kirkland Branch signed similar agreements.

12           24. Importantly, as a condition of employment, employees are asked to sign  
13 agreements which contain numerous confidentiality and loyalty provisions (examples of  
14 which include the Confidentiality Agreements). These provisions are meant to ensure that  
15 Guild's own confidential and proprietary information is not used against it and that its  
16 employees are not working to help competitors to the detriment of Guild while simultaneously  
17 employed by Guild.  
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19           25. Guild also uses technology to protect its confidential information. For  
20 example, employees receive Guild-owned laptops which are encrypted and have multi-factor  
21 authentication for remote access. Guild has perimeter security that consists of firewalls and  
22 content filtering to detect any intrusion. Data is also encrypted within Guild's proprietary loan  
23 origination system which houses consumer data. Additionally, access to data and information  
24 is role-based, meaning that only certain tiers of employees are permitted to view certain data  
25 and information. Guild has also implemented numerous policies and procedures which  
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1 address the handling of company and consumer data. Finally, Guild holds frequent trainings  
2 regarding security and data protection.

3 **The Flowers Confidentiality Agreement**

4 26. Paragraph 2.2 of the Flowers Confidentiality Agreement states:

5 All Confidential Information is, and shall remain, the exclusive  
6 property of the Company. Employee is authorized to use Confidential  
7 Information solely to perform Services for the benefit of the Company,  
and only while Employee is employed by the Company.

8 27. Paragraph 3 of the Flowers Confidentiality Agreement states:

9 As part of the consideration for Employee's employment, Employee  
10 agrees that, at all times during the term of his/her employment by the  
11 Company, and indefinitely thereafter, Employee will hold all  
12 Confidential Information in the strictest confidence, and will not  
13 directly or indirectly use, disclose or allow to be disclosed any  
14 Confidential Information to any person, firm, or corporation, unless  
15 previously authorized for Company business, and for the benefit of the  
Company. Employee further agrees that he/she will not use any  
Confidential Information in any manner that may directly or indirectly  
have an adverse effect on the Company's business or the value of the  
Confidential information.

16 28. Paragraph 5 of the Flowers Confidentiality Agreement states:

17 Employee agrees that he/she will promptly disclose to the Company  
18 any business opportunity of which Employee becomes aware during  
19 his/her employment with the Company and (i) which relates to any  
20 products or services planned, under development, developed, produced  
or marketed by the Company or (ii) of which Employee becomes aware  
in the course of or as a result of his/her employment with the Company.  
Employee will not take advantage of or divert any such opportunity for  
his/her own gain, profit or benefit, or any other person or entity without  
the written consent of the Company.

23 29. Paragraph 6.1 of the Flowers Confidentiality Agreement states:

24 Employee agrees that during his/her employment with the Company  
25 Employee will not directly or indirectly divert or attempt to divert any  
26 clients, potential clients, or employees of the Company away from the  
27 Company, for any reason.  
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30. Paragraph 6.2 of the Flowers Confidentiality Agreement states:

Employee acknowledges and agrees that during his/her employment with the Company, he/she will not, directly or indirectly, compete with the Company in any way, or act as an officer, director, employee, consultant, lender, or agent of any person or entity that is engaged in any business of the same nature as, or in competition with, the business in which the Company is engaged.

31. Paragraph 8 of the Flowers Confidentiality Agreement states:

Immediately upon the termination of Employee's employment with the Company, for any reason, Employee will return to the Company all documents, data, and other information pertaining to the Company's business, clients, suppliers, products or services, and any other Confidential Information that Employee has in his/her possession or under his/her control; and Employee shall not remove (either physically or electronically) any such documents or information from Company premises or computers.

32. Paragraphs 2.2, 3, 5, 6.1, 6.2, and 8 of the Flowers Confidentiality Agreement are collectively referred to as the "Flowers Confidentiality and Loyalty Provisions."

### **The Flynn Confidentiality Agreement**

33. Paragraph 2.2 of the Flynn Confidentiality Agreement states:

Employee acknowledges and agrees that all Confidential Information ... shall remain the exclusive property of the Company. Employee is authorized to use Confidential Information ... solely to perform Services for the benefit of the Company. No license, express or implied, to use any of the Company's Confidential Information ... is granted under this Agreement.

34. Paragraph 3.1 of the Flynn Confidentiality Agreement states:

Employee acknowledges and agrees that the Company is entitled to prevent the unauthorized use and disclosure of its Confidential Information ... As part of the consideration for Employee's employment and for the compensation being paid to Employee by the Company, Employee agrees that at all times during the term of his/her employment by the Company, and indefinitely thereafter, Employee will hold in strictest confidence, and will not directly or indirectly use, disclose or allow to be disclosed to any person, firm, or corporation, the Company's Confidential Information ... unless previously authorized



1 by the Company for use in the pursuit of Company business, and for  
2 the benefit of the Company.

3 35. Paragraph 3.2 of the Flynn Confidentiality Agreement states:

4 Employee will not at any time use any of the Company's Confidential  
5 Information ... in any manner that may directly or indirectly have an  
6 adverse effect upon the Company's business, nor will Employee  
7 perform any acts that would tend to reduce the value of the Company's  
8 Confidential Information ...

9 36. Paragraph 4 of the Flynn Confidentiality Agreement states:

10 All files, documents, plans, memoranda, notes, lists, records, contracts  
11 and other documents or papers (and all copies thereof) relating to the  
12 Company's business, including such items stored in computer  
13 memories, on computer disks or by any other means, made or compiled  
14 by or on behalf of the Employee or the Company or made available to  
15 them relating to the Company's business, are and shall be the  
16 Company's property and may not be copied or removed from the  
17 Company's premises (either physically or electronically), unless  
18 expressly approved by a duly authorized representative of the  
19 Company.

20 37. Paragraph 6.1 of the Flynn Confidentiality Agreement states:

21 Employee agrees that during his/her employment with the Company,  
22 Employee will not directly or indirectly divert or attempt to divert  
23 clients' or potential clients' business from the Company, nor will  
24 Employee directly or indirectly, solicit, induce or attempt to solicit or  
25 induce any employee of the Company to accept employment outside of  
26 the Company.

27 38. Paragraph 6.2 of the Flynn Confidentiality Agreement states:

28 Employee acknowledges and agrees that during his/her employment  
with the Company, he/she will not, anywhere in the world, directly or  
indirectly, acting individually or as the owner, shareholder, partner,  
consultant, independent contractor or employee of any entity, compete  
with the Company in any way, or act as an officer, director, employee,  
consultant, lender, or agent of any person or entity that is engaged in  
any business of the same nature as, or in competition with, the business  
in which the Company is now engaged or in which the Company  
becomes engaged during the term of Employee's employment.



39. Paragraph 7 of the Flynn Confidentiality Agreement states:

Employee will promptly disclose to the Company any business opportunity of which Employee becomes aware during his/her employment with the Company and (i) which relates to any products or services planned, under development, developed, produced or marketed by the Company or (ii) of which Employee becomes aware in the course of or as a result of his/her employment with the Company. Employee will not take advantage of or divert any such opportunity for his/her own gain, profit or benefit, or any other person or entity without the written consent of the Company.

40. Paragraph 9 of the Flynn Confidentiality Agreement states:

Immediately upon the separation of Employee's employment for any reason, Employee will deliver to Company all documents, data, and other information pertaining to the Company's business, clients, suppliers, products or services, and any other Confidential Information ... that Employee has in his/her possession or under his/her control; and Employee shall not remove (either physically or electronically) any such documents or information from Company premises or computers.

41. Paragraphs 2.2, 3.1, 3.2, 4, 6.1, 6.2, 7, and 9 of the Flynn Confidentiality Agreement are collectively referred to as the "Flynn Confidentiality and Loyalty Provisions."

#### **The Jolliffe Confidentiality Agreement**

42. Paragraph 2.2 of the Jolliffe Confidentiality Agreement states:

Employee acknowledges and agrees that all Confidential Information ... shall remain the exclusive property of the Company. Employee is authorized to use Confidential Information ... solely to perform Services for the benefit of the Company. No license, express or implied, to use any of the Company's Confidential Information ... is granted under this Agreement.

43. Paragraph 3.1 of the Jolliffe Confidentiality Agreement states:

Employee acknowledges and agrees that the Company is entitled to prevent the unauthorized use and disclosure of its Confidential Information ... As part of the consideration for Employee's employment and for the compensation being paid to Employee by the Company, Employee agrees that at all times during the term of his/her employment by the Company, and indefinitely thereafter, Employee will hold in strictest confidence, and will not directly or indirectly use, disclose or allow to be disclosed to any person, firm, or corporation, the

Company's Confidential Information ... unless previously authorized by the Company for use in the pursuit of Company business, and for the benefit of the Company.

44. Paragraph 3.2 of the Jolliffe Confidentiality Agreement states:

Employee will not at any time use any of the Company's Confidential Information ... in any manner that may directly or indirectly have an adverse effect upon the Company's business, nor will Employee perform any acts that would tend to reduce the value of the Company's Confidential Information ...

45. Paragraph 4 of the Jolliffe Confidentiality Agreement states:

All files, documents, plans, memoranda, notes, lists, records, contracts and other documents or papers (and all copies thereof) relating to the Company's business, including such items stored in computer memories, on computer disks or by any other means, made or compiled by or on behalf of the Employee or the Company or made available to them relating to the Company's business, are and shall be the Company's property and may not be copied or removed from the Company's premises (either physically or electronically), unless expressly approved by a duly authorized representative of the Company.

46. Paragraph 6.1 of the Jolliffe Confidentiality Agreement states:

Employee agrees that during his/her employment with the Company, Employee will not directly or indirectly divert or attempt to divert clients' or potential clients' business from the Company, nor will Employee directly or indirectly, solicit, induce or attempt to solicit or induce any employee of the Company to accept employment outside of the Company.

47. Paragraph 6.2 of the Jolliffe Confidentiality Agreement states:

Employee acknowledges and agrees that during his/her employment with the Company, he/she will not, anywhere in the world, directly or indirectly, acting individually or as the owner, shareholder, partner, consultant, independent contractor or employee of any entity, compete with the Company in any way, or act as an officer, director, employee, consultant, lender, or agent of any person or entity that is engaged in any business of the same nature as, or in competition with, the business in which the Company is now engaged or in which the Company becomes engaged during the term of Employee's employment.

1           48.     Paragraph 7 of the Jolliffe Confidentiality Agreement states:

2           Employee will promptly disclose to the Company any business  
3           opportunity of which Employee becomes aware during his/her  
4           employment with the Company and (i) which relates to any products or  
5           services planned, under development, developed, produced or marketed  
6           by the Company or (ii) of which Employee becomes aware in the  
7           course of or as a result of his/her employment with the Company.  
8           Employee will not take advantage of or divert any such opportunity for  
9           his/her own gain, profit or benefit, or any other person or entity without  
10          the written consent of the Company.

11          49.     Paragraph 9 of the Jolliffe Confidentiality Agreement states:

12          Immediately upon the separation of Employee's employment for any  
13          reason, Employee will deliver to Company all documents, data, and  
14          other information pertaining to the Company's business, clients,  
15          suppliers, products or services, and any other Confidential Information  
16          ... that Employee has in his/her possession or under his/her control;  
17          and Employee shall not remove (either physically or electronically) any  
18          such documents or information from Company premises or computers.

19          50.     Paragraphs 2.2, 3.1, 3.2, 4, 6.1, 6.2, 7, and 9 of the Jolliffe Confidentiality  
20          Agreement are collectively referred to as the "Jolliffe Confidentiality and Loyalty  
21          Provisions."

22          51.     The Flowers Confidentiality and Loyalty Provisions, the Flynn Confidentiality  
23          and Loyalty Provisions, and the Jolliffe Confidentiality and Loyalty Provisions are  
24          collectively referred to as the "Confidentiality and Loyalty Provisions." Other Guild  
25          employees had similar Confidentiality and Loyalty Provisions as well.

26          52.     On information and belief, CrossCountry was aware that Flowers, Flynn and  
27          Joliffe—as well as the other members of the Kirkland Branch—were bound by the above  
28          confidentiality and loyalty provisions. These or similar provisions are standard in the  
29          mortgage industry; an industry in which success is determined in part by the safeguarding of  
30          confidential information and the maintenance of customer relationships. Moreover,  
31          CrossCountry has engaged in conduct substantially similar to that described in this complaint

on numerous prior occasions, and has previously been sued in for those actions. As just one example, earlier this year, CrossCountry raided a competitor of employees who, acting at CrossCountry's direction, took customer lists and other confidential information. The Judge in that case directed the parties to work out a solution which resulted in the "Stipulation re: Preliminary Injunction" which required, through the use of a computer forensic expert ("Forensic Expert"), the employees who removed the materials to, among other things:

- (a) Deliver all personal computers, devices, tablets, computers, and cell phones (the "Devices") within 10 days;
- (b) Provide a list of all cloud accounts and web-based email accounts, plus login credentials, user names, and passwords;
- (c) Provide login credentials for personal email accounts;
- (d) Provide a list of names of files they are aware of that are stored on the devices or cloud storage accounts; and
- (e) Allow a forensic image to be made of all Devices so that the Forensic Expert can identify information obtained by the departed employees at their prior employer.

CrossCountry has a pattern and practice of improperly raiding its competitor's employees, conspiring with those employees to breach their fiduciary and contractual duties, and assisting those employees in removing information from their employers before leaving to join CrossCountry, exactly as happened here. That is part of CrossCountry's business model. CrossCountry was therefore on notice that the conduct it was encouraging and abetting by Flowers, Flynn, Joliffe, and other members of the Kirkland branch would violate the terms of their contracts in addition to their duty of loyalty to their employer.

53. For the avoidance of doubt, Guild does not allege any misuse, misappropriation, or other misconduct by CrossCountry with respect to trade secrets. Guild

1 reserves the right to amend its allegations based on facts revealed upon further investigation  
2 or during discovery.

3 **The Kirkland Employees' Resignations and Guild's Investigation**

4 54. In the days and weeks preceding the mass resignation from Guild and rehiring  
5 by CrossCountry of nearly every employee of Guild's Kirkland branch, Flowers, Flynn and  
6 Jolliffe acted as agents of CrossCountry and worked for CrossCountry's benefit and to  
7 Guild's detriment, despite continuing to be employed by Guild.

8 55. Flowers, Flynn and Jolliffe, and other Guild employees, in active coordination  
9 with CrossCountry, engaged in a persistent and repeated course of conduct constituting  
10 blatant violations of the Confidentiality and Loyalty Provisions in their Confidentiality  
11 Agreements with Guild. Led by Flowers, Branch Manager of the Kirkland Branch, and while  
12 still employed by Guild, Flynn, Jolliffe, and other Guild employees coordinated and conspired  
13 with CrossCountry, as well as with one another and with other staff members, to recruit and  
14 transition nearly all of Guild's Kirkland Branch to CrossCountry. In furtherance of this effort,  
15 and while still employed by Guild, Flowers, Flynn, Jolliffe, and other Guild employees took  
16 efforts to convert, export, and appropriate a substantial amount of Guild information, data,  
17 and other property for the purpose of benefitting CrossCountry and themselves to the  
18 detriment of Guild. Information that was taken may have been protected under applicable  
19 federal and state laws and regulations, which Guild is duty bound to protect. On information  
20 and belief, they continue to utilize such information for the same purpose.

21 56. After deciding to leave Guild to join CrossCountry, and while still employed  
22 by Guild, employees from the Guild Kirkland Branch took action to utilize Guild information  
23 for the benefit of CrossCountry and themselves and to the detriment of Guild; failed to hold  
24 Guild's information in confidence; used, disclosed, and allowed to be disclosed Guild  
25 information to CrossCountry without Guild's authorization; used Guild's information in a  
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1 manner which had an adverse effect on Guild's business and the value of such information;  
2 directed and diverted business opportunities related to Guild's products or services from  
3 Guild to CrossCountry; diverted and attempted to divert clients and employees of Guild away  
4 from Guild and to CrossCountry; recruited and encouraged employees in the Kirkland Branch  
5 to leave Guild and join CrossCountry; took action to compete with Guild while still employed  
6 by Guild; acted as agents or employees of CrossCountry while still employed by Guild; and  
7 failed to return to Guild all of its information upon termination of their employment; all for  
8 the benefit of CrossCountry and themselves to the detriment of Guild in violation of the  
9 Confidentiality and Loyalty Provisions and other legal duties.

10  
11 57. In early July 2021, virtually the entire Kirkland Branch resigned from Guild  
12 and joined its competitor, CrossCountry.

13 58. Upon information and belief, CrossCountry intentionally induced Flowers,  
14 Flynn and Jolliffe and the other employees of the Kirkland Branch to breach their contractual  
15 obligations and duties of loyalty by, among other things, soliciting the Former Kirkland  
16 Employees to leave Guild and join them at CrossCountry, and by transferring customers,  
17 customer data and other confidential information to their personal accounts for subsequent use  
18 for the benefit of CrossCountry.

19 59. As of the date of this filing, Guild has essentially lost the entire Kirkland  
20 Branch because of CrossCountry and its agents' conspiring, and Guild has suffered substantial  
21 harm, including the substantial resources and investment made in the Kirkland Branch and  
22 significant disruption to Guild's operations.

23 60. Examples of the breaches and improper conduct that Flowers, Flynn and  
24 Jolliffe undertook with CrossCountry's cooperation, which have been discovered to date  
25 include, but are not limited to, the following:  
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- 1 (a) Flowers, Flynn and Joliffe Export Guild Information for  
2 CrossCountry's Benefit Using the Whiteboard Platform. Guild  
3 primarily utilizes Salesforce as its Customer Relationship Management  
4 ("CRM") platform. A CRM platform is the tool utilized by a business  
5 to administer its interactions with customers, typically by housing and  
6 analyzing large amounts of information related to customers. Despite  
7 the fact that Guild's primary CRM is Salesforce, in or around early  
8 June 2021, while still employed by Guild, Flowers reached out to his  
9 Transaction Coordinator, Vita Shuman ("Shuman"), and requested that  
10 he be onboarded to a different CRM platform, Whiteboard Mortgage  
11 ("Whiteboard"), an alternative to Salesforce which is not widely used  
12 within Guild.  
13
- 14 (b) After setting up his account on Whiteboard, Flowers imported a  
15 massive amount of Guild information to Whiteboard. For example,  
16 Flowers imported three spreadsheets entitled "Cleaned separated  
17 prospect partners-1", "Cleaned Active Partners-1", and "Cleaned  
18 Jordans Leads-1" to Whiteboard. On or about June 4, 2021, Whiteboard  
19 emailed Flowers to confirm that these spreadsheets were ready to be  
20 imported. Collectively, these spreadsheets contained detailed  
21 information concerning hundreds of real estate agents and potential  
22 borrowers of Guild.  
23
- 24 (c) A few days later, Flowers imported another spreadsheet entitled  
25 "Cleaned TBD Transactions" to Whiteboard. On or about June 8, 2021,  
26 Whiteboard emailed Flowers to confirm that this spreadsheet was ready  
27 to be imported. This spreadsheet contained detailed public and non-  
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1 public information relating to hundreds of potential borrowers who had  
2 submitted applications with Guild but where no property address had  
3 yet been identified. On June 10, 2021, Whiteboard confirmed that this  
4 spreadsheet had been successfully loaded into its platform.

5 (d) On June 9, 2021, Whiteboard confirmed that another spreadsheet titled  
6 “All Jordan Transactions (Not TBD) UPDATED” had been imported  
7 into Whiteboard. This spreadsheet contained detailed public and non-  
8 public information concerning numerous pending loan applicants and  
9 current borrowers of Guild.

10 (e) Despite setting up Whiteboard, Flowers’ email records do not show  
11 substantial email communications with Whiteboard regarding loan  
12 originations at Guild after he began using the Whiteboard platform, as  
13 would be expected if Flowers intended to utilize Whiteboard to  
14 originate loans for Guild. Instead, Flowers’ email communications with  
15 Whiteboard largely stopped after he completed the process of  
16 onboarding and importing Guild information. On information and  
17 belief, Flowers’ intention in setting up Whiteboard was to transfer  
18 Guild’s confidential and proprietary information to CrossCountry while  
19 evading detection so the Kirkland Branch loan originators would be in  
20 a better position to transition from Guild to CrossCountry.

21 (f) Once Flowers’ information was successfully loaded into Whiteboard,  
22 Shuman worked with other loan officers in the Kirkland Branch to load  
23 their respective spreadsheets into Whiteboard as well. These other loan  
24 officers included Flynn, Chad Evans, Todd Kentnor, PJ Mooney, Ryan  
25 Lee, Kristina Rombakh, and Lisa Phillips, all of whom ultimately  
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1 resigned from Guild and joined Flowers at CrossCountry. On  
2 information and belief, Shuman's efforts were done at the direction of  
3 Flowers and in coordination with Flynn, Jolliffe, and the other Kirkland  
4 Branch employees.

5 (g) While still employed by Guild, Flynn engaged in the same process as  
6 Flowers with respect to Whiteboard. Flynn asked his Transaction  
7 Coordinator for information which would allow Flynn to be onboarded  
8 to the Whiteboard platform. Despite this, like Flowers, Flynn's email  
9 records do not show substantial email communications with  
10 Whiteboard regarding loan origination after he began using the  
11 Whiteboard platform. Instead, Flynn's email communications with  
12 Whiteboard largely stopped after he completed the onboarding process.  
13 On information and belief, Flynn sought to utilize Whiteboard as a  
14 means to export Guild information for use with his new employer,  
15 CrossCountry, while evading detection.

17 (h) Meetings and Efforts in Preparation for Transition to CrossCountry.

18 While still employed by Guild, Flowers also conspired with  
19 CrossCountry to begin preparing the Kirkland Branch to transition to  
20 CrossCountry. For example, Flowers set up "transition"-related  
21 meetings and virtual calls through the Kirkland Branch employees'  
22 personal (i.e., non-Guild) email accounts in the days and weeks leading  
23 up to the mass resignations of those employees from Guild in July  
24 2021. On information and belief, the purpose of such meetings was to  
25 coordinate the transition of Guild employees and customers to  
26 CrossCountry.  
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- 1 (i) On June 29, 2021, prior to the resignation of any Kirkland Branch  
2 employees from Guild, CrossCountry's Chief Production Officer, Craig  
3 Montgomery, sent an email stating "Thank you for your time and  
4 questions today. As promised please see below I think this webinar will  
5 provide answers to additional questions you may have" and containing  
6 a 60-minute CrossCountry "Recruiting Webinar Recording."
- 7 (j) On June 30, 2021, prior to the resignation of any Kirkland Branch  
8 employees from Guild, Flowers emailed the Kirkland Branch a Zoom  
9 meeting invite entitled: "IMPORTANT: NEW OPERATIONS CALL  
10 TOMORROW 7/1/21 @ 1PM". In the meeting invite, Flowers stated:  
11 "I think everyone needs to make this call if possible to meet the  
12 transition OPERATIONS team that will be taking care of us during our  
13 transition. Please make it a point to make this call."
- 14 (k) On information and belief, Jen Zarzeczny, the Vice President of  
15 Corporate Processing for CrossCountry, created the Zoom meeting and  
16 was in attendance along with other CrossCountry employees. That this  
17 meeting invite was sent only to Guild employees' personal (i.e., non-  
18 Guild) email addresses appears to have been no accident, as Shuman  
19 had previously sent an email to Whiteboard on or about June 10, 2021  
20 regarding the linking of non-Guild email accounts to the Whiteboard  
21 platform, stating: "We are planning to have each LO & team create  
22 their own gmail email address. If we can't have both emails associated  
23 with the accounts, can we update this to use the new email addresses  
24 we are creating?" On information and belief, the purpose of this effort  
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1 was to assist in the transition to CrossCountry while evading detection  
2 by Guild.

3 (l) On July 1, 2021, Flowers emailed the Kirkland Branch with additional  
4 details, stating: "I am sorry if I haven't made this clear with all the  
5 messaging going out, and/or if I've missed anyone on the emails. WE  
6 are meeting tonight at 6pm at the office. Everything will be handled at  
7 that time, including and (sic) notices that need to be sent out. Look  
8 forward to seeing you all at 6pm."

9 (m) At 4:15 a.m. on July 2, 2021, prior to the resignations of some of the  
10 Kirkland Branch employees from Guild, Flowers emailed the Kirkland  
11 Branch, stating: "After you all left I had about an hour long phone call  
12 with the Bellevue Branch Manager. He called to ask what happened  
13 and to also inform me that there will be a lot of calls to all of you to try  
14 and convince you to stay. They will try and say or do whatever it may  
15 take to change your minds. I would just say to follow your heart and  
16 lean on each other and myself if you have any questions or need  
17 anything. I believe in us and I believe now, more than any point leading  
18 up to tonight, that we are going to thrive and soar in this new endeavor.  
19 We have the tools, the systems, the team, the products, the pricing, the  
20 support and the market opportunity to continue to do something special  
21 for our clients and our referral partners. I will work on getting a full  
22 team text chat up and going tomorrow. We can also use this thread to  
23 communicate at any point over the weekend with any questions,  
24 thoughts and communications so desired."  
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- 1           (n)   Servicing of Clients on Behalf of CrossCountry While Still Employed  
2           by Guild. On information and belief, Flowers also transferred loan data  
3           and/or worked on loan files for and on behalf of CrossCountry while he  
4           was still an employee of Guild. One example included a borrower file  
5           where the appraisal was escalated to management for review.  
6           Management asked for additional information related to the appraisal.  
7           Instead of providing the information, Flowers and Jolliffe improperly  
8           denied the loan citing unacceptable collateral and moved the loan to  
9           CrossCountry. At 10:52 p.m. on June 18, 2021, Flowers stated to  
10          Guild's underwriting department: "I am going to tell these clients and  
11          agent to go to their other lender that has them and the property  
12          approved at the sales value." Minutes later, at 10:59 p.m., Flowers  
13          stated to the borrower's real estate agent: "I do already have an  
14          approval and solution for us to get this loan approved and closed and  
15          have begun the works of getting the ball rolling with a different  
16          investor/lender and I have a call with them on Monday. They have seen  
17          the appraisal and already approved that piece. We just need to get the  
18          [applicants] underwritten there ... I'll have more Monday with our save  
19          outlet for this, and it will get closed for us all." Unsurprisingly, that  
20          "save outlet" was CrossCountry.  
21  
22          (o)   For another example, on June 28, 2021, an employee of CrossCountry  
23          told a loan applicant in an email that "your loan officer, Jordan, will  
24          also be available" to assist with the applicant's application. Later, this  
25          email was forwarded to Flowers' Guild email address, indicating  
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1 Flowers is the “Jordan” being referenced in CrossCountry’s email.  
2 Flowers was still a Guild employee at this time.

3 (p) Flynn Exports Guild Information Via Personal Email and Seeks to  
4 Transition Borrowers to CrossCountry. As to numerous borrowers,  
5 Flynn forwarded substantial information to his personal email address.  
6 On information and belief, he did this so he would be in a better  
7 position to transition such borrowers from Guild to CrossCountry.  
8 For example, while still employed by Guild, Flynn forwarded to his  
9 personal email address files for numerous borrowers. On information  
10 and belief, Flynn also transferred loan files for borrowers to  
11 CrossCountry.

12 (q) For some of the borrowers transferred by Flynn, CrossCountry  
13 employees would correspond with the borrowers about their loan  
14 applications, then later add Flynn’s Guild email address to the email  
15 chain. For example, while still employed by Guild, Flynn was added to  
16 an email chain between CrossCountry Senior Corporate Loan Processor  
17 Matthew Dohner and a borrower regarding a loan application for that  
18 borrower. On information and belief, Flynn was added to these email  
19 chains because he was already servicing CrossCountry customers  
20 despite still being employed by Guild.

21 (r) These efforts served to create concern and confusion among customers  
22 regarding Guild and its business. For example, one borrower  
23 transmitted an email to Flynn and other CrossCountry employees on  
24 July 10, 2021 which stated: “I was under the impression that you were  
25 merging with Guild mortgage. Not changing companies completely.  
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1 I would like you guys to stop my application completely and not run  
2 my credit ... ”

3 (s) Jolliffe Exports Guild Information Via Personal Email. While still  
4 employed by Guild, Jolliffe undertook to export Guild information  
5 ostensibly for use with her new employer, CrossCountry. On  
6 approximately June 13, 2021, Jolliffe appears to have created a new  
7 personal email address and began forwarding information from her  
8 Guild email account to her personal email account. Jolliffe forwarded at  
9 least 64 such emails, which included a substantial universe of Guild  
10 information. For example, Jolliffe forwarded to her personal email  
11 address all of the following:  
12

- 13 i. an Excel spreadsheet entitled “Real Applications – Processor to  
14 Be Reassigned” with the detailed public and non-public  
15 information relating to numerous potential borrowers who had  
16 submitted loan applications with Guild;
- 17 ii. an Excel spreadsheet with the names of 315 appraisers on Guild’s  
18 approved branch panel list;
- 19 iii. a “needs list” showing documents required by Guild to continue  
20 underwriting a loan for a potential borrower who had submitted  
21 multiple loan applications with Guild;
- 22 iv. an email from an attorney describing how property title was to be  
23 held by two potential borrowers who had submitted a loan  
24 application with Guild;
- 25 v. confidential financial information for a potential borrower who  
26 had submitted a loan application with Guild;
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- vi. the loan application number and email address for a potential borrower who had submitted a loan application with Guild;
- vii. an email regarding a potential borrower who had submitted pre-application information to Guild;
- viii. an internal memo developed by Guild's Training Division regarding how to streamline the income verification process for VA loans;
- ix. an internal Guild job aid regarding a specific loan product sold by Guild to Fannie Mae;
- x. an internal Guild job aid and matrix regarding Guild's methodology for calculating non-taxable income;
- xi. an internal Guild job aid regarding the review of solar panel agreements;
- xii. an internal Guild job aid regarding specific funding requirements per loan product;
- xiii. an internal presentation developed by Guild's Loan Products division;
- xiv. a template letter that was developed and used by Guild to verify loan applicants' employment during the loan underwriting process;
- xv. template letters that were developed and used by Guild to provide loan status updates to loan applicants; and
- xvi. other job aids, training materials, and checklists developed and used by Guild to process and underwrite loan files.

(t) On information and belief, Jolliffe utilized and continues to utilize this information to originate loans in her new role with CrossCountry for the benefit of CrossCountry and her and to the detriment of Guild.

(u) Jolliffe and Others Direct Loan Applications to CrossCountry While Still Employed by Guild. On June 23, 2021, Jolliffe directed Guild to withdraw two pending loan applications where Guild had approved the loans. No further detail was provided as to why the potential borrowers did not accept the loans. On June 30, 2021, Jolliffe directed Guild to cancel six pending loan applications but did not provide any reason for those cancellations. It is now clear that Jolliffe and others were directing loan applications to CrossCountry while still employed by Guild. In total, between June 10, 2021 and Jolliffe's resignation on July 2, 2021, Jolliffe and other Kirkland Branch employees unilaterally withdrew or cancelled 50 pending loan applications with Guild.

**Flowers, Flynn, and Jolliffe's Resignations and the Loss of the Kirkland Branch**

61. Without prior warning to Guild, during the first weeks of July 2021, virtually Guild's entire Kirkland Branch resigned and joined CrossCountry. This coordinated mass resignation and the evidence which Guild has obtained regarding same demonstrate without question that this was a coordinated effort and conspiracy between Flowers, Flynn, Jolliffe, other Kirkland Branch employees, and CrossCountry in breach of numerous duties to Guild.

62. After their resignations in early July 2021, Guild sent cease and desist letters to three of its former employees—Flowers, Flynn, and Jolliffe. All three failed to respond. CrossCountry sent a response letter to Guild which denied any wrongdoing.

63. On information and belief, CrossCountry has perfected their scheme and will continue to harm Guild unless stopped.

**FIRST CAUSE OF ACTION**

**Civil Conspiracy**

64. Guild hereby alleges and incorporates by reference each and every allegation in all preceding and subsequent paragraphs as if fully set forth herein.

65. On information and belief, Flowers, Flynn, Jolliffe, and the other Kirkland Branch employees were more desirable candidates for CrossCountry if they had an established book of business that they could immediately start processing at CrossCountry.

66. As such, CrossCountry conspired to encourage Flowers, Flynn, Jolliffe, and the other Kirkland Branch employees to wrongfully remove Guild confidential information and divert business from Guild to CrossCountry, and to encourage other Kirkland employees to do the same.

67. As discussed above, on or about June 4th, 8th, and 9th, Flowers uploaded spreadsheets to Whiteboard containing respectively: the contact information for numerous real estate agents and hundreds of Guild's potential borrowers; the public and non-public information relating to hundreds of Guild's potential borrowers who had submitted applications with Guild; and detailed public and non-public information relating to numerous pending loan applicants and current borrowers of Guild.

68. On information and belief, Flowers did this in cooperation with CrossCountry with the intent of pursuing those potential Guild customers at CrossCountry for the benefit of CrossCountry and himself.

69. On approximately June 13, 2021, Jolliffe appears to have forwarded at least 64 emails to her personal email account, which included a substantial universe of Guild information, s described above.

1           70.     On information and belief, Jolliffe did this in cooperation with CrossCountry  
2 with the intent of pursuing those potential Guild customers at CrossCountry for the benefit of  
3 CrossCountry and herself.

4           71.     Flynn likewise forwarded substantial information to his personal email address  
5 as to numerous borrowers. On information and belief, he did this so he would be in a better  
6 position to transition such borrowers from Guild to CrossCountry.

7           72.     On information and belief, Flynn did this in cooperation with CrossCountry  
8 with the intent of pursuing those potential Guild customers at CrossCountry for the benefit of  
9 CrossCountry and himself.

10          73.     CrossCountry entered into an agreement with Flowers, Flynn, Jolliffe, and the  
11 other Kirkland Branch employees pursuant to which it encouraged and enabled them to  
12 wrongfully remove Guild Confidential information.

13          74.     CrossCountry also conspired with Flowers, Flynn, Jolliffe, and the other  
14 Kirkland Branch employees to encourage other employees at the Kirkland branch to likewise  
15 wrongfully remove Guild confidential information, and to breach the duty and confidentiality  
16 provisions of their own contracts.

17          75.     Flowers, Flynn, Jolliffe, and other Kirkland Branch employees owed fiduciary  
18 duties to Guild of good faith and loyalty while employed by Guild. These fiduciary duties are  
19 reflected in the Confidentiality and Loyalty Provisions.

20          76.     By engaging in the conduct set forth in the preceding and subsequent  
21 paragraphs, Flowers, Flynn, Jolliffe, and the other Kirkland Branch employees, breached their  
22 respective fiduciary duties, statutory duties, and/or duties of loyalty to Guild.

23          77.     CrossCountry actively encouraged Flowers, Flynn and Jolliffe in their  
24 previously described conduct, and benefited from the transfer of Guild's confidential  
25 information, customers, and employees.

1           78.     CrossCountry played an essential role in the conduct of Flowers, Flynn,  
2 Jolliffe, and the other Kirkland employees. None of these employees would have removed  
3 confidential information or breached their fiduciary duties were it not for CrossCountry's  
4 willing participation in the breach as part of an effort to appropriate the Kirkland branch of  
5 Guild's business.

6           79.     CrossCountry's intentional and wrongful conduct has caused immediate,  
7 substantial, and ongoing injury to Guild, including substantial economic harm in the form of  
8 damage to its relationships with its valued customers and employees, the continuing loss of its  
9 competitive position, loss of market share, and lost profits, for which Guild seeks  
10 compensation by this action.

## 11                                   **SECOND CAUSE OF ACTION**

### 12                                   **Tortious Interference with Business Expectancy**

13           80.     Guild hereby alleges and incorporates by reference each and every allegation  
14 in all preceding and subsequent paragraphs as if fully set forth herein.

15           81.     Guild had existing economic relationships with each of its existing and  
16 prospective borrowers. Each of those relationships benefitted Guild economically and likely  
17 would have continued to benefit Guild economically in the future.

18           82.     CrossCountry was aware of Guild's economic relationships with its existing  
19 and prospective borrowers specifically by virtue of the client information they induced  
20 Flowers, Flynn, Jolliffe, and other members of the Kirkland Branch to improperly supply to  
21 them, and generally by virtue of their understanding of the mortgage lending business and  
22 how it operates with respect to client relationships.

23           83.     Guild is informed and believes that CrossCountry intended to disrupt, and  
24 succeeded in disrupting, Guild's business operations and relationships with its borrowers by  
25 engaging in the conduct set forth in the preceding and subsequent paragraphs.  
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1           84.     CrossCountry's interference with Guild's existing and prospective economic  
2 relationships with its customers proceeded from an improper motive and by improper means  
3 in that it violated established standards within the mortgage profession and sought to harm  
4 Guild by appropriating the confidential information and client relationships into which Guild  
5 had invested substantial time and expense for CrossCountry's monetary gain.

6           85.     CrossCountry's intentional and wrongful conduct has caused immediate,  
7 substantial, and ongoing injury to Guild, including substantial economic harm in the form of  
8 damage to its relationships with its valued customers, the continuing loss of its competitive  
9 position, loss of market share, and lost profits.

10                               **THIRD CAUSE OF ACTION**

11                               **Tortious Interference with Contractual Relationships**

12           86.     Guild hereby alleges and incorporates by reference each and every allegation  
13 in all preceding and subsequent paragraphs as if fully set forth herein.

14           87.     Guild had valid and enforceable employment Contracts with all former Guild  
15 employees referenced herein.

16           88.     Specifically, Guild was party to the Loyalty and Confidentiality provisions.

17           89.     At all times, CrossCountry was aware that Guild had valid and enforceable  
18 contracts with its employees.

19           90.     At a minimum, CrossCountry was on notice that it is standard within the  
20 mortgage industry for employees to be subject to loyalty and confidentiality agreements, and  
21 is aware that it has been sued over their violations in the past.

22           91.     CrossCountry intentionally induced Flowers to breach the loyalty and  
23 confidentiality provisions of his employment contract by, among other things, inducing him to  
24 transfer Guild's confidential information to CrossCountry, to divert Guild's clients to  
25 CrossCountry, to act as an agent of CrossCountry during his ongoing employment with Guild,  
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1 and to induce other members of Guild's Kirkland branch to resign and undertake employment  
2 with CrossCountry.

3 92. CrossCountry intentionally induced Flynn to breach the loyalty and  
4 confidentiality provisions of his employment contract by, among other things inducing him to  
5 transfer Guild's confidential information to CrossCountry, to divert Guild's clients to  
6 CrossCountry, and to act as an agent of CrossCountry during his ongoing employment with  
7 Guild.

8 93. CrossCountry intentionally induced Jolliffe to breach the loyalty and  
9 confidentiality provisions of her employment contract by, among other things, inducing her to  
10 transfer Guild's confidential information to CrossCountry, to divert Guild's clients to  
11 CrossCountry, and to act as an agent of CrossCountry during her ongoing employment with  
12 Guild.

13 94. CrossCountry intentionally induced the other employees at the Kirkland  
14 Branch to breach the loyalty and confidentiality provisions of their respective employment  
15 contracts by, among other things, inducing them to transfer Guild's confidential information  
16 to CrossCountry, to divert Guild's clients to CrossCountry, and to act as an agent of  
17 CrossCountry during their ongoing employment with Guild.

18 95. CrossCountry's interference with Guild's employment contracts proceeded  
19 from an improper motive and by improper means in that it violated established standards  
20 within the mortgage lending profession and sought to harm Guild by appropriating the  
21 confidential information, employee training, and client relationships into which Guild had  
22 invested substantial time and expense for CrossCountry's monetary gain.

23 96. CrossCountry's intentional and wrongful conduct has caused immediate,  
24 substantial, and ongoing injury to Guild, including substantial economic harm in the form of  
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1 damage to its relationships with its valued customers and employees, the continuing loss of its  
2 competitive position, loss of market share, and lost profits.

3 **FOURTH CAUSE OF ACTION**

4 **Unfair Competition (RCW 19.86.020)**

5 97. Guild hereby alleges and incorporates by reference each and every allegation  
6 in all preceding and subsequent paragraphs as if fully set forth herein.

7 98. CrossCountry's acts alleged herein constitute unfair, unlawful and/or  
8 fraudulent business acts and practices under RCW 19.86.020 because such acts are forbidden  
9 by various state and federal laws, unscrupulous, unfair, injurious to Guild, and contrary to the  
10 public interest.

11 99. Specifically, CrossCountry caused confusion for consumers whose loans were  
12 in progress with Guild, or who had submitted pre-applications with Guild. These consumers  
13 continued to use the same loan originator and then suddenly, their loans were diverted from  
14 Guild to CrossCountry. As described above, Guild knows of at least one consumer who  
15 terminated her loan application upon learning that it was being transferred to CrossCountry.  
16 Upon information and belief, CrossCountry also used Guild's confidential information in  
17 order to close loans and CrossCountry.  
18

19 100. As a direct, proximate, and foreseeable result of CrossCountry's wrongful  
20 conduct alleged herein, Guild has suffered, and unless CrossCountry is enjoined from using  
21 the wrongfully obtained customer information, will continue to suffer, irreparable injury,  
22 including but not limited to wrongful loss of customers to CrossCountry based on their false  
23 and misleading actions and use of Guild's confidential information, for which Guild's remedy  
24 at law is inadequate.  
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101. The public interest would be served by granting the relief sought because it clearly favors preventing institutions such as CrossCountry from engaging in and profiting from unfair business practices as described herein.

102. CrossCountry's intentional and wrongful conduct has caused immediate, substantial, and ongoing injury to Guild, including substantial economic harm in the form of damage to its relationships with its valued customers and employees, the continuing loss of its competitive position, loss of market share, and lost profits, for which Guild seeks compensation by this action.

### **FIFTH CAUSE OF ACTION**

#### **Violation of CA Penal Code 502**

103. Guild hereby alleges and incorporates by reference each and every allegation in all preceding and subsequent paragraphs as if fully set forth herein.

104. On a repeated and systematic basis, Flowers, Flynn, Jolliffe, and other Kirkland Branch employees, acting as CrossCountry's agents, either individually or in conspiracy with one another, have knowingly accessed Guild's databases in violation of their agreements with Guild and without permission, in violation of California Penal Code § 502(c)(7).

105. Furthermore, the same individuals and CrossCountry, either individually or in conspiracy with one-another, have knowingly used, or caused to be used, Guild's computer services without permission, in violation of California Penal Code § 502(c)(3).

106. Furthermore, the same individuals, either individually or in conspiracy with one-another, have without permission taken and copied, or assisted in taking and copying, data from Guild's computer system and computer service, and have used the data on that system to divert confidential information to CrossCountry, in violation of California Penal Code §§ 502(c)(1) and (2).

1           107. As alleged in more detail herein, these violations have damaged Guild by,  
2 among other things, diverting Guild's confidential borrower information to CrossCountry,

3           108. Pursuant to California Penal Code § 502(e), Guild is entitled to compensatory  
4 and punitive damages, attorneys' fees, injunctive relief, and other legal and equitable relief as  
5 prayed for herein.

6           109. Respondents have acted with oppression, fraud, and malice toward Guild,  
7 entitling Guild to an award of punitive damages in an amount sufficient to deter them from  
8 future misconduct.

9           110. It is appropriate for this Court to apply California law with respect to this  
10 claim, because Guild and certain of its computer systems are located in California, the  
11 Plaintiff was harmed in California, and an actual conflict exists between California and  
12 Washington law with respect to this issue.

13  
14                                   **SIXTH CAUSE OF ACTION**

15                                   **Injunctive Relief**

16           111. Guild hereby alleges and incorporates by reference each and every allegation  
17 in all preceding and subsequent paragraphs as if fully set forth herein.

18           112. By reason of CrossCountry's above-described misconduct and continuous  
19 scheme to systematically, methodologically, and purposefully pilfer entire groups of Guild's  
20 employees at a time and encourage them to use and/or disclose Guild's confidential  
21 information, CrossCountry has caused and will continue to cause Guild to suffer irreparable  
22 harm for which there is no adequate remedy at law. Money damages cannot adequately  
23 compensate Guild for those losses, even if CrossCountry were able to respond in payment of  
24 money damages.

25           113. Guild is substantially likely to succeed on its claims against CrossCountry due  
26 to CrossCountry's pervasive interference with Guild's contracts and business relationships.  
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114. The threat of harm to Guild in the absence of injunctive relief far outweighs the threat of harm to CrossCountry if an injunction is granted. Guild faces substantial, but difficult to calculate, financial loss and loss of good will, whereas the only “hardship” imposed on CrossCountry is to prevent them from reaping any illicit gain or benefit from their misconduct.

115. For these reasons, and those set forth in the preceding and subsequent paragraphs, Guild is entitled to preliminary and/or permanent injunctive relief. Accordingly, Guild requests that CrossCountry be enjoined from: using, sharing, summarizing, discussing, or communicating in any manner concerning or otherwise making use of any of Guild’s proprietary, and/or confidential information, and ordering them to affirmatively identify and return any of Guild’s proprietary and/or confidential information under CrossCountry or its current employees’ control.

#### **PRAYER FOR RELIEF**

WHEREFORE, Guild prays for the following relief:

1. For preliminary and/or permanent injunctive relief, including but not limited to:
  - (a) Requiring CrossCountry to preserve all confidential, proprietary, or protected Guild information in their possession and any documents or communications related to the allegations set forth herein;
  - (b) Restraining and enjoining CrossCountry, its agents, servants, and employees, and all other persons acting in concert or participating with it from disclosing or utilizing any confidential, proprietary, or protected information obtained from Guild including, but not limited to, the identity and other information of Guild’s customers; and/or;

(c) Requiring Respondents to return any confidential, proprietary, or protected information or other property or information of Guild wrongfully taken from Guild.

2. For compensatory and general damages according to proof;
3. For special damages according to proof;
4. For consequential damages according to proof;
5. For punitive and exemplary damages according to proof;
6. For prejudgment interest at the maximum legal rate;
7. For costs of the proceedings herein;
8. For attorneys' fees as provided by statute and by agreement; and
9. For such other and further relief as the Court deems just and proper.

**DEMAND FOR JURY TRIAL**

Guild hereby demands a trial by jury for all issues so triable.

Dated this 8th day of October, 2021.

HILLIS CLARK MARTIN & PETERSON P.S.

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